

California Gambling Control Commission  
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MINUTES OF MAY 4, 2006  
COMMISSION MEETING

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**OPEN SESSION**

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 1:31 p.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll call of Commissioners was taken with Chairman Shelton and Commissioners Cruz and Vuksich present.

3. Approval of Minutes of April 6, 2006 Commission Meeting.

Upon motion of Commissioner Vuksich, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved the April 6, 2006 meeting minutes.

4. Applications for Work Permit (Pursuant to Business and Professions Code Section 19912):
  - A. Empire Sportsmen's Association: **AuDuong, Nga**
  - B. Napa Valley Casino: Napa Valley Casino: **Dionisio, Sheila**
  - C. River Card Room: **Dong, Gang**
  - D. The 101 Casino: **Tey, Si How**

Deputy Director Ciau indicated that staff concurs with the Division of Gambling Control's recommendation to approve the applications for a work permit for Nga AuDong, Item 5.a., Sheila Dionisio, Item 4.b., Gang Dong, Item 4.c., and Si How Tey, Item 4.d. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved the

applications for a work permit for Nga AuDoung, Sheila Dionisio, Gang Dong, and Si How Tey.

5. Application for Key Employee Application (Pursuant to Business and Professions Code Section 19854):

Turlock Poker Room: **Rheinschild, Philip A.**

Deputy Director Ciau indicated that staff concurs with the Division of Gambling Control's recommendation to approve the application for a key employee license for Philip A. Rheinschild, Item 5. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved the application for a key employee license for Philip Rheinschild.

6. Request for Transfer of Shares (Pursuant to Business and Professions Code Section 19892):**Oceans Eleven Casino:** Oceans Eleven Casino - General Partnership

No action was taken by the Commission on Item 6, which was tabled at the request of staff.

7. Applications for Renewal of State Gambling License (Pursuant to Business and Professions Code Section 19876):

A. **Hustler Casino:** El Dorado Enterprises Inc., California Corporation

Deputy Director Ciau indicated that staff recommends that the Commission approve the application for renewal of a state gambling license for the remaining term of the license from June 1, 2006 through January 31, 2007 for Hustler Casino, Item 7.a. Commissioner Vuksich moved to adopt the staff recommendation and Commissioner Cruz seconded the motion.

Commissioner Cruz asked for the identification and designation of officers of the Hustler Casino.

Michael Franchetti, attorney for Hustler Casino, responded to Commissioner Cruz's inquiry by identifying Larry Flynt as president, Tom Candy as secretary and Jim Chamberlain as CFO.

Upon amended motion by Commissioner Cruz to adopt the staff recommendation to approve the state gambling license through January 31, 2007, subject to the condition that *Majestic Properties Inc. file an application to be licensed by the Gambling Control Commission within 90 days*, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved a

conditional renewal of the state gambling license through January 31, 2007 for Hustler Casino.

**B. Mortimer's Card Room:** Mortimer's Inc., California Corporation

Deputy Director Ciau indicated that staff recommends that the Commission approve the application for renewal of a state gambling license for the remaining term of the license from June 1, 2006 through November 30, 2006 for Mortimer's Inc. Chairman Shelton moved to adopt the staff recommendation and Commission Cruz seconded the motion.

Commissioner Cruz inquired as to who the shareholders in Mortimer's Club were and who was responsible for the operation of the card club since the recent death of the majority shareholder Edward Williamson.

Mr. Franchetti, attorney for Mortimer's Card Room, responded to Commissioners Cruz's inquiries indicating the Ok Hanna owned the remaining shares of Mortimer's Card Room. Ms. Hanna is in charge of the operations of the card club and is licensed by the Commission. Mr. Franchetti further indicated that Mr. Williamson's shares were to be distributed between his two children and that they are in the process of applying for a state gambling license.

Upon amended motion of Commissioner Cruz to adopt the staff recommendation subject to the condition that *the executor of Mr. Williamson's estate file an application to be licensed by the Gambling Control Commission within the next 90 days*, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commission Cruz and Vuksich voting yes, the Commission approved a conditional renewal of the state gambling license through November 30, 2006 for Mortimer's Card Room.

**8. Applications for Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, Section 6.4.4):**

**A. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center: **Hammons, David****

Deputy Director Ciau indicated that staff recommends approval of the application for Tribal-State Compact key employee finding of suitability for David Hammons, Item 8.a. Upon motion of Commissioner Vuksich, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved the application for a finding of suitability for David Hammons.

B. Cahto Indian Tribe of the Laytonville Rancheria – Red Fox Casino:  
**James, Corey**

Deputy Director Ciau indicated that staff recommends that the Commission deny the application for a Tribal-State Compact key employee finding of suitability for Corey James, Item 8.b. Deputy Director Ciau further indicated that a notice was sent to Mr. James on April 21, 2006 to inform him that staff would be recommending that his application be denied, and no response was received from Mr. James. Upon motion of Commissioner Vuksich, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission denied the application for a Tribal-State Compact key employee finding of suitability for Corey James.

9. Notification of Revenue Sharing Trust Fund Distribution for March 31, 2006 and Revision of December 31, 2005 Distribution Report.

Acting Deputy Director Lechner presented to the Commission information concerning the Revised Revenue Sharing Trust Fund Distribution Report for the quarter ended December 31, 2005 and the Revenue Sharing Trust Fund (RSTF) Distribution Report for the quarter ended March 31, 2006. Acting Deputy Director Lechner indicated that the RSTF report for the quarter ended December 2005 was revised because all payments receipted into the fund were not captured in the initial report. The revised report includes an additional \$640,800 into the fund that was a result of prepayment fees related to a gaming device license draw conducted in October 2005 and receipt of quarterly license fees paid by one tribe. Acting Deputy Director Lechner further indicated that the \$640,800 not included in the initial report did not impact the distribution to eligible tribes for that quarter and the only effect of the revised report is a reallocation of money from the RSTF to the Special Distribution Fund. A copy of the *Revised Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended December 31, 2006* is incorporated into the minutes as Attachment A.

In addition, Acting Deputy Director Lechner announced that all eligible tribes would receive a total distribution of \$275,000 from the Revenue Sharing Trust Fund for the quarter ended March 31, 2006. A copy of the *Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended March 31, 2006* is incorporated into the minutes as Attachment B.

Item 9 was on the agenda for information purposes only no action by the Commission was required.

**CONSENT CALENDAR ITEMS:**

10. Applications for Tribal-State Compact Key Employee Finding of Suitability: Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4)
  - A. Agua Caliente Band of Cahuilla Indians - Agua Caliente Casino:  
**Aron, Candy**  
**Benitez, Veronica**  
**Thao, Pang**
  - B. Augustine Band of Mission Indians - Augustine Casino:  
**Catapano, Andrea**  
**Mestas, Mary**
  - C. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation - Barona Valley Ranch Resort and Casino:  
**Martinez, Jose**
  - D. Jackson Rancheria of Me-Wuk Indians of California - Jackson Rancheria Casino, Hotel, and Conference Center:  
**Pollard, David**  
**Stephens, Judith**  
**Washburn, Ron**
  - E. Middletown Rancheria of Pomo Indians of California - Twin Pine Casino: **Leon, Rosa**
  - F. Mooretown Rancheria - Feather Falls Casino: Mallinson, Diane
  - G. Pala Band of Luiseno Mission Indians of the Pala Reservation - Pala Casino  
**Douglas, Kyle**  
**Feldthusen, Mark**  
**Gouveia, Ruth**  
**King, Katherine**  
**Marlow, Kristen**
  - H. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation - Casino Pauma: **Edwards, Lawrence**
  - I. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation - Pechanga Gaming Center:  
**Cobb, Lucia**  
**Enecio, Luciano**  
**Jacobs, Michael**  
**Neumayer, William**  
**Nunag, Nestor**  
**Ohl, Jeanette**
  - J. Rumsey Indian Rancheria of Wintun Indians of California - Cache Creek Casino Resort:  
**Serna, Ariel**

- K. San Manuel Band of Mission Indians - San Manuel Indian Bingo and Casino:  
**Roach, Brenda**
  - L. Santa Ynez Band of Mission Indians - Chumash Casino:  
**Prendergast, Rosa**  
**Rodriguez, Rodolfo**
  - M. Sycuan Band of Diegueno Mission Indians of California - Sycuan Casino and Resort:  
**Harmon, Michael**
  - N. Table Mountain Rancheria of California - Table Mountain Casino:  
**Billingsley, Lydia**  
**Garbett, Patricia**  
**Sell, Robert**  
**Smith, Maria**  
**Vargas, Patrick**
  - O. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California - Black Oak Casino: **Miller, Ryan**
  - P. United Auburn Indian Community of the Auburn Rancheria of California - Thunder Valley Casino:  
**Castanuela II, Michael**  
**Holden, Michael**  
**La, Joe**  
**Saelee, Chio**
  - Q. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation - Viejas Casino: **Belvin, Dewey**
11. Applications for Tribal-State Compact Key Employee Finding of Suitability - Renewals:
- A. Alturas Indian Rancheria - The Desert Rose Casino: **Eklund, Charles**
  - B. Auga Caliente Band of Cahuilla Indians - Augo Caliente Casino:  
**Darcy, Kevin**
  - C. Dry Creek Rancheria of Pomo Indians of California - River Rock Casino: **Dehnert, Mike**
  - D. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation - Casino Pauma: **McClintic, Gina**
  - E. Rincon Band of Luiseno Mission Indians of the Rincon Reservation - Harrah's Rincon Casino and Resort: **Byrum, Jean**
  - F. San Pasqual Band of Diegueno Mission Indians of California - Valley View Casino:  
**Caputto, Michael**

Deputy Director Ciau presented the Consent Calendar items to the Commission for its consideration of the applications for Tribal-State Compact Key Employee Findings of Suitability and renewal of Tribal-State Compact Key Employee Findings

of Suitability. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes the Commission approved the Consent Calendar.

#### **PUBLIC COMMENT**

There were no comments from the public during this portion of the meeting.

#### **CLOSED SESSION:**

Chairman Shelton announced that the Commission would not adjourn to Closed Session since there were no new matters under Government Code section 11126(e) that required discussions.

#### **ADJOURNMENT**

Upon motion to adjourn the meeting by Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a roll call vote, with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the meeting adjourned at 1:59 p.m.